MULTIMEDIA UNIVERSITY

STUDENT IDENTIFICATION NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2015/2016

BME2834 – MALAYSIAN ECONOMY

(Distance Education)

13 OCTOBER 2015
9 a.m. – 11 a.m.
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This question paper consists of TWO (2) pages with FIVE (5) questions only.

2. Answer **ALL** questions. All questions carry equal marks and the distribution of the marks for each question is given.

3. All answers must be written in the answer booklet provided.

Question 1 (20 marks)

a) *New Economic Policy (NEP), between 1971 and 1990, was a development plan justified by the need for national unity and nation-building.*

Define NEP. Describe its two main objectives and discuss the programmes implemented under each objective. (10 marks)

b) *Malaysia's challenge today is to transform into a high-income economy by 2020 by upgrading and deepening diversification.*

Using appropriate examples, explain the Malaysian government's implementation of three-tiered cascading planning horizons, ranging from short-term, medium-term to long-term development plans. (10 marks)

Question 2 (20 marks)

The 11th Malaysian Plan (11MP), which was tabled by Prime Minister Najib on May 21, 2015, signifies the government's continued commitment in realising Vision 2020, which is the goal for the country to obtain the status of a developed nation by 2020.

Critically discuss how the government is committed to realising Vision 2020 through **SIX (6)** strategic thrusts of 11 MP. (20 marks)

Question 3 (20 marks)

The agricultural industry had once been dubbed the sunset industry especially during the advent of the manufacturing era in the 80's and again in the mid 90's when the engine of growth shifted from manufacturing to industries such as Information Technology and high-tech electronics. However, after almost two decades of relative neglect, interest in agriculture is returning in a big and passionate way.

a) Why does the agricultural sector remain an important contributor to the Malaysian economy? (5 marks)

b) Critically analyse any **FIVE (5)** strategies to develop the Malaysian agricultural sector. (15 marks)

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Question 4 (20 marks)

a) *With the liberalisation of the automotive market following ASEAN Free Trade Area (AFTA), the number of rivals has increased the stress on the local automotive industry.*

Discuss **FOUR (4)** external challenges for the local automotive industry in the face of AFTA. (8 marks)

b) *The mergers have further reduced the number of players in telecommunication industry in Malaysia from 7 providers in 1994 to 3 providers in 2003.*

Critically evaluate any **FOUR (4)** reasons for merging among the telecommunication network providers in Malaysia. (12 marks)

Question 5 (20 marks)

a) *Today, there is much talk on translating advance innovative and creative ideas into new products in businesses. Knowledge has become an important producer of wealth in societies and organisations. The knowledge-based economy (henceforth K-economy) provides the platform to sustain rapid economic growth and enhance international competitiveness of Malaysia to achieve its Vision 2020.*

Explain the key characteristics of a K-economy and discuss any **TWO (2)** challenges to build the K-economy. (8 marks)

b) *The Asian Financial Crisis started on July 2, 1997 with the devaluation of the Thai Baht. The sharp drop in the Thai currency was followed by speculation against the currencies of Malaysia, Indonesia, and South Korea.*

Critically discuss any **FOUR (4)** major counteractive measures by Malaysia in the face of the Asian crisis in 1997. (12 marks)

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